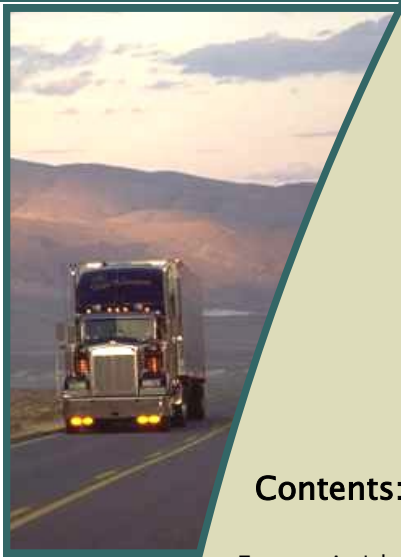
USDA United States Department of Agriculture



Agricultural Refrigerated Truck Quarterly

2nd Quarter, 2016
April — June

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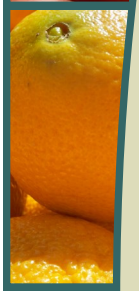

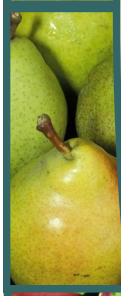

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Rest Break Update:
On August 8, 2016, Federal Motor Carrier Safety Administration (FMCSA) denied the petition of the Commercial Vehicle Safety Alliance (CVSA) to delete the 30-minute rest break provision in the hours of service of drivers rule. CVSA maintains that the rest break provision is difficult to enforce.

Veteran Drivers Program Updates:
On August 22, 2016, FMCSA proposed a three-year pilot program to allow a limited number of individuals between the ages of 18 and 21 to operate commercial motor vehicles in interstate commerce if they received specified heavy-vehicle driver training while in military service and are sponsored by a participating motor carrier. FMCSA also proposed criteria for a working group to consult with the Agency in conducting, monitoring, and evaluating the pilot program. The Agency sought public input on the pilot program and outlined procedural steps and a data collection plan. Public comments can be viewed in docket number FMCSA–2016–0069.

On October 13, 2016, FMCSA published a final rule to ease the transition of military personnel into civilian careers driving commercial motor vehicles (CMV) by simplifying the process of obtaining a commercial learner's permit (CLP) or commercial driver's license (CDL). This final rule extends the period of time for applying for a skills test waiver from 90 days to 1 year after leaving a military position requiring the operation of a CMV. This final rule also allows a State to accept applications from active duty military personnel who are stationed in that State as well as administer the written and skills tests for a CLP or CDL. States that choose to accept such applications are required to transmit the test results electronically to the State of domicile of the military personnel. The State of domicile may issue the CLP or CDL on the basis of those results.

On October 18, 2016, FMCSA announced that it has awarded nearly $1 million in grants to seven technical and community colleges across the country to help train veterans and their families for jobs as commercial bus and truck drivers.

Heavy Vehicle Speed Limiters Update:
On September 7, 2016, U.S. Department of Transportation's (DOT) National Highway Traffic Safety Administration (NHTSA) and FMCSA published a proposed rule that would require vehicles with a gross vehicle weight rating of more than 26,000 pounds to be equipped with a speed limiting device. Trucking companies operating such vehicles in interstate commerce would be required to maintain the device for the service life of the vehicle.

The proposed rule considers the cost and benefits of 60, 65, or 68 miles per hour as the speed limiting device setting. Based on the agencies' review of the available data, limiting speed would reduce the severity of crashes and the resulting fatalities and injuries. Speed limiting devices would also save an estimated $1.1 billion in fuel costs and millions of gallons of fuel each year, and reduce greenhouse gas emissions. Public comments can be viewed in one or both docket numbers: NHTSA-2016-0087 and FMCSA-2014-0083.

Safety Measurement System Update:
On October 5, 2016, FMCSA proposed enhancements to information on the public Safety Measurement System (SMS) Web site and responded to comments received in response to FMCSA's Federal Register Notice, ''Proposal for Future Enhancements to the Motor Carrier Safety Measurement System (SMS),'' published on June 29, 2015. These enhancements are a continuation of FMCSA's efforts to provide law enforcement, the motor carrier industry, and motor carriers with more informative safety data. The notice explains FMCSA's proposed enhancements to the public SMS Web site, including two additional changes not originally proposed, which were identified during the development of the SMS Preview. FMCSA has provided information about the proposed enhancements to the National Academies of Sciences to consider in the Correlation Study required by Section 5221 of the Fixing America's Surface Transportation (FAST) Act. The proposed enhancements are available for preview, at: https://csa.fmcsa.dot.gov/SMSPreview/. Comments on these changes based on the preview can be viewed in Docket No. FMCSA–2015–0149. FMCSA will not implement the changes until after FMCSA satisfies the requirements of Section 5223 of the FAST Act.

EPA and DOT Finalize Greenhouse Gas and Fuel Efficiency Standards for Engines and Vehicles:
On October 25, 2016, the Environmental Protection Agency (EPA) and NHTSA jointly finalized standards for medium- and heavy-duty vehicles that would improve fuel efficiency and cut carbon pollution to reduce the impacts of climate change, while bolstering energy security and spurring manufacturing innovation. The program promotes a new generation of cleaner, more fuel efficient trucks by encouraging the development and deployment of new and advanced cost-effective technologies.

The vehicle and engine performance standards would cover model years 2018-2027 for certain trailers and model years 2021-2027 for semi-trucks, large pickup trucks, vans, and all types and sizes of buses and work trucks. The final standards are expected to lower CO_2 emissions by approximately 1.1 billion metric tons, save vehicle owners fuel costs of about $170 billion, and reduce oil consumption by up to two billion barrels over the lifetime of the vehicles sold under the program.

Electronic Logging Devices for Commercial Truck and Bus Industries Update:
On October 31, 2016, the U.S. Court of Appeals for the Seventh Circuit denied the Owner-Operator Independent Drivers Association's (OOIDA) petition for review of the FMCSA final rule on electronic logging devices (ELD). Oral arguments before the court were made on September 13, 2016. OOIDA maintains that the final rule unlawfully allows ELDs that are not fully automatic; does not sufficiently protect drivers from harassment; inadequately analyzes costs and benefits; does not protect drivers' confidential information; and exposes drivers to unconstitutional searches and seizures.

Commercial Driver's License Drug and Alcohol Clearinghouse Update:
On December 2, 2016, FMCSA announced the final rule on the Commercial Driver's License Drug and Alcohol Clearinghouse. FMCSA will create a central database for verified positive controlled substances and alcohol test results for commercial driver´s license (CDL) holders and refusals by such drivers to submit to testing. This rule requires employers of CDL holders and service agents to report positive test results and refusals to test to the clearinghouse.

Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the 2nd quarter 2016 were 9.42 million tons, 25 percent higher than the previous quarter, but 0.2 percent lower than the same quarter last year.

Shipments from Mexico were the highest in the 2nd quarter, totaling 2.83 million tons and accounted for 30 percent of the total reported shipments of fresh fruits and vegetables. Shipments from California totaled 2.26 million tons, representing 24 percent of the reported shipments. Movements from the Pacific Northwest totaled 1.31 million tons, representing 14 percent of the reported total.

The following top five commodities accounted for 41 percent of the reported truck movements during the 2nd quarter 2016:

- Potatoes (12 percent)
- Watermelon (11 percent)
- Apples (7 percent)
- Onions, dry (6 percent)
- Tomatoes (5 percent)

Truck Rates

The table below provides a snapshot of quarterly rates for U.S. produce shipments over 4 mileage categories—0-500, 501-1,500, 1,501-2,500, and 2,500+ miles. U.S. average truck rates are weighted by regional rates and volumes.

U.S. Average Fruit and Vegetable Truck Rates per Mile

	0-500 miles	501-1,500 miles	1,501-2,500 miles	2,500 miles +
Q2 2015	5.05	2.62	2.38	1.27
Q3 2015	6.45	2.43	2.33	1.31
Q4 2015	5.01	2.36	2.07	1.08
Q1 2016	3.98	2.22	2.10	1.27
Q2 2016	3.62	2.34	2.10	1.30
Q2 Change from Previous Quarter	-9%	5%	-0.1%	2%
Q2 Change from Same Quarter Last Year	-28%	-11%	-12%	2%

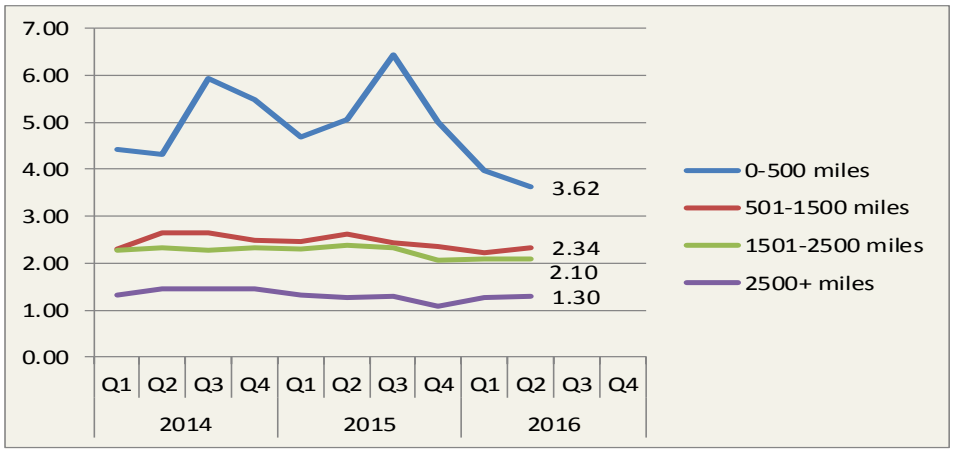
Diesel Fuel

During the 2nd quarter 2016, the U.S. diesel fuel price averaged $2.30 per gallon—11 percent higher than last quarter but 19.4 percent lower than the same quarter last year.

National Summary

U.S. Truck Rates

Figure 1: Average Truck Rates for Selected Routes ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Table 1: Average U.S. Truck Rates for Selected Routes between 501 and 1500 miles ($/Mile)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	*Annual
2016	2.22	2.34			
2015	2.47	2.62	2.43	2.36	2.47
2014	2.31	2.66	2.65	2.50	2.53
2013	2.24	2.60	2.62	2.31	2.44
2012	2.10	2.54	2.45	2.29	2.35
2011	2.02	2.60	2.77	2.26	2.41
2010	1.82	2.21	2.33	1.94	2.08
2009	1.85	1.99	2.02	1.86	1.93
2008	2.02	2.56	2.77	2.24	2.40
2007	1.89	2.23	2.25	2.03	2.10
2006	1.92	2.10	2.21	2.02	2.06

*Annual: Weighted average rate for all 4 quarters.
Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Table 2: Quarterly Rates for Key Origins by Month; 501-1500 miles ($/Mile)

Origin	2nd Qtr 2016			1st Qtr 2016		
	April	May	June	January	February	March
Arizona		2.83	2.90	2.85	2.73	2.62
California	2.80	2.67	2.76	2.76	2.77	2.72
Florida	2.05	2.29	2.39	2.05	1.93	1.93
Great Lakes	3.03	3.05	3.20	3.03	3.05	3.06
Mexico-Arizona	2.12	2.26	2.17	2.28	2.13	2.08
Mexico-Texas	2.06	2.06	1.96	2.17	1.96	1.98
New York	2.19	2.41	2.41	1.96	1.77	1.78
PNW	1.81	1.77	1.73	2.08	1.98	1.91
Southeast	3.23	3.20	3.32	3.34	3.25	3.23
Texas	2.18	2.15	2.23	2.37	2.20	2.18

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division
Note: "n/a" indicates rates not available.
Note: The rates for 8 long-haul fruit and vegetable truck corridors are included in the national rate, weighted by commodity and origin volume.

Truck Rates for Selected Routes

Table 3: Origin-Destination Truck Rates for Selected Routes , 2nd Quarter 2016 ($/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	2.35	2.38	2.45	2.41	2.88	.	2.51	2.50	2.50	.
California	2.33	2.25	2.24	2.19	2.72	5.68	2.38	2.30	2.28	2.70
Florida	2.53	2.51	2.34	1.91	.	1.35	2.71	2.33	2.19	.
Great Lake	2.82	3.19	2.97	3.86	2.66	.	2.50	3.34	3.34	.
Mexico-Ari	.	2.00	2.21	1.97	2.30	2.10	2.07	2.22	2.22	.
Mexico-Tex	2.15	2.06	2.07	1.90	2.46	1.48	2.03	2.07	2.01	2.04
New York	2.30	3.66	7.21	1.31	.	.	2.52	7.00	5.14	.
Other	2.38	2.39	2.73	1.97	2.94	1.82	2.17	2.62	3.21	.
PNW	2.12	2.13	2.05	2.08	2.04	1.77	1.86	2.23	2.11	4.37
Southeast	4.91	3.65	3.22	3.12	3.07	1.81	2.84	3.59	3.57	.
Texas	2.36	2.18	2.18	2.06	2.99	1.56	2.14	2.22	2.15	2.15

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Truck Rates for Selected Routes

Table 4: Origin-Destination Truck Rates for Selected Routes , 2nd Quarter 2016 ($/Truck)

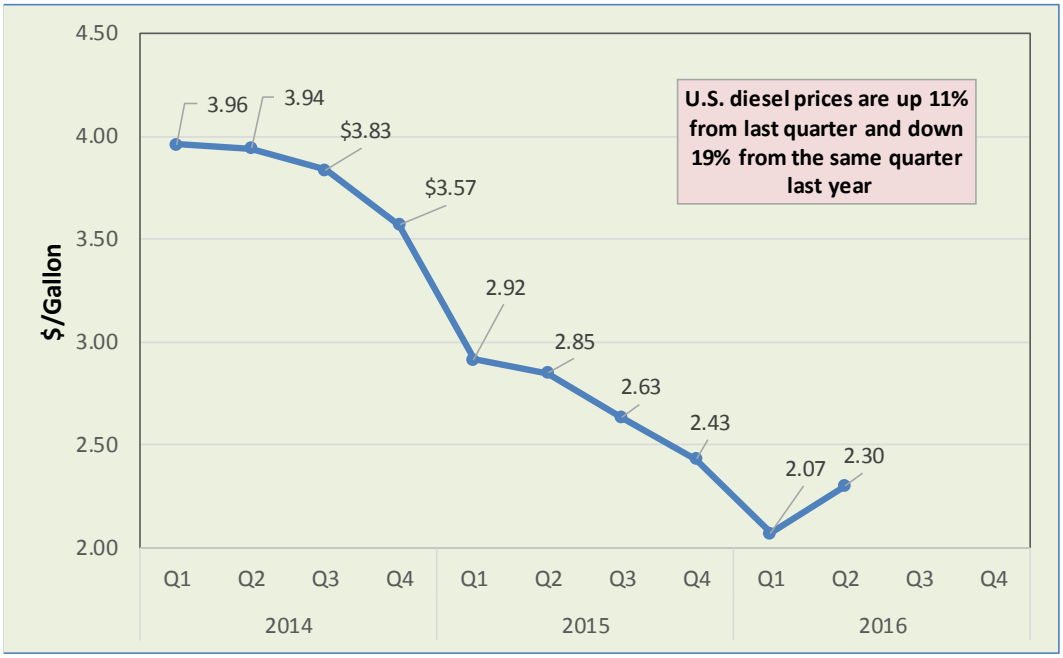
Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	4,933	6,200	7,092	4,892	3,742	.	6,533	6,758	6,625	.
California	5,220	6,117	6,816	4,580	3,927	986	6,565	6,507	6,342	2,886
Florida	1,117	2,374	3,258	2,254	.	3,400	650	2,678	2,374	.
Great Lake	2,714	4,276	3,733	1,174	2,987	.	4,368	3,821	3,047	.
Mexico-Ari	.	4,700	5,963	3,550	2,250	1,177	4,710	5,558	5,321	.
Mexico-Tex	2,473	3,685	4,550	2,723	1,231	2,369	3,112	4,146	3,827	4,904
New York	2,300	1,208	1,225	1,100	.	.	3,650	1,050	1,183	.
Other	2,110	3,305	3,452	1,924	1,546	1,692	4,445	3,326	3,250	.
PNW	4,933	5,267	5,629	3,715	3,769	1,830	5,542	5,663	5,332	612
Southeast	1,245	1,933	3,115	2,703	2,917	4,250	1,789	2,685	2,221	.
Texas	2,435	3,659	4,524	2,700	1,229	2,350	3,109	4,126	3,826	4,918

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

U.S. Diesel Fuel Prices

The diesel fuel price provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 2: U.S. Average On-Highway Diesel Fuel Prices



Source: Energy Information Administration/U.S. Department of Energy

Table 5: 2nd Quarter 2016 Average Diesel Fuel Prices (All Types - $/Gallon)

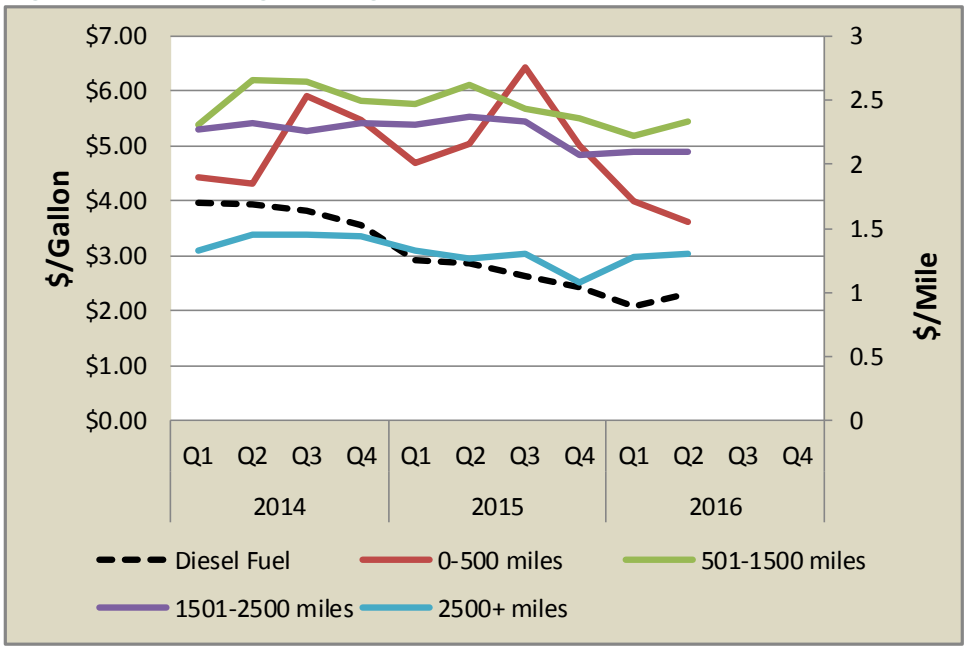
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	2.33	0.20	-0.64
New England	2.38	0.15	-0.71
Central Atlantic	2.43	0.17	-0.69
Lower Atlantic	2.25	0.22	-0.58
Midwest	2.26	0.25	-0.47
Gulf Coast	2.17	0.21	-0.57
Rocky Mountain	2.30	0.30	-0.48
West Coast	2.54	0.25	-0.53
California	2.63	0.22	-0.55
U.S.	2.30	0.23	-0.55

Source: Energy Information Administration/U.S. Department of Energy

Relationship Between Diesel Fuel & Truck Rates

The diesel fuel price provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 3: U.S. Average On-Highway Diesel Fuel Prices and Truck Rates



Sources:
Diesel Fuel: Energy Information Administration/U.S. Department of Energy
Truck Rate: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Table 6: Average Diesel Fuel Prices and Truck Rates

		Diesel Fuel ($/gallon)	Truck Rates ($/mile) 501-1500 miles	% Change From:			
				Last Qtr		Same Qtr Last Year	
				Diesel	Truck	Diesel	Truck
2014	Q1	3.96	2.31	2%	2%	-2%	3%
	Q2	3.94	2.65	-1%	14%	2%	2%
	Q3	3.83	2.65	-3%	0%	-2%	2%
	Q4	3.57	2.50	-7%	-6%	-8%	10%
2015	Q1	2.92	2.47	-18%	-1%	-26%	7%
	Q2	2.85	2.62	-2%	6%	-28%	-1%
	Q3	2.63	2.43	-8%	-7%	-31%	-8%
	Q4	2.43	2.36	-8%	-3%	-32%	-6%
2016	Q1	2.07	2.22	-15%	-6%	-29%	-10%
	Q2	2.30	2.34	11%	5%	-19%	-11%
	Q3						
	Q4						

Sources:
Diesel Fuel: Energy Information Administration/U.S. Department of Energy
Truck Rates: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

2nd Quarter 2016 Comparison Analysis

Diesel fuel prices averaged $2.30 per gallon this quarter, 11 percent higher than last quarter but 19 percent lower than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were $2.34 per mile, 5 percent higher than the previous quarter but 11 percent lower than the same quarter last year.

Quarterly Truck Availability

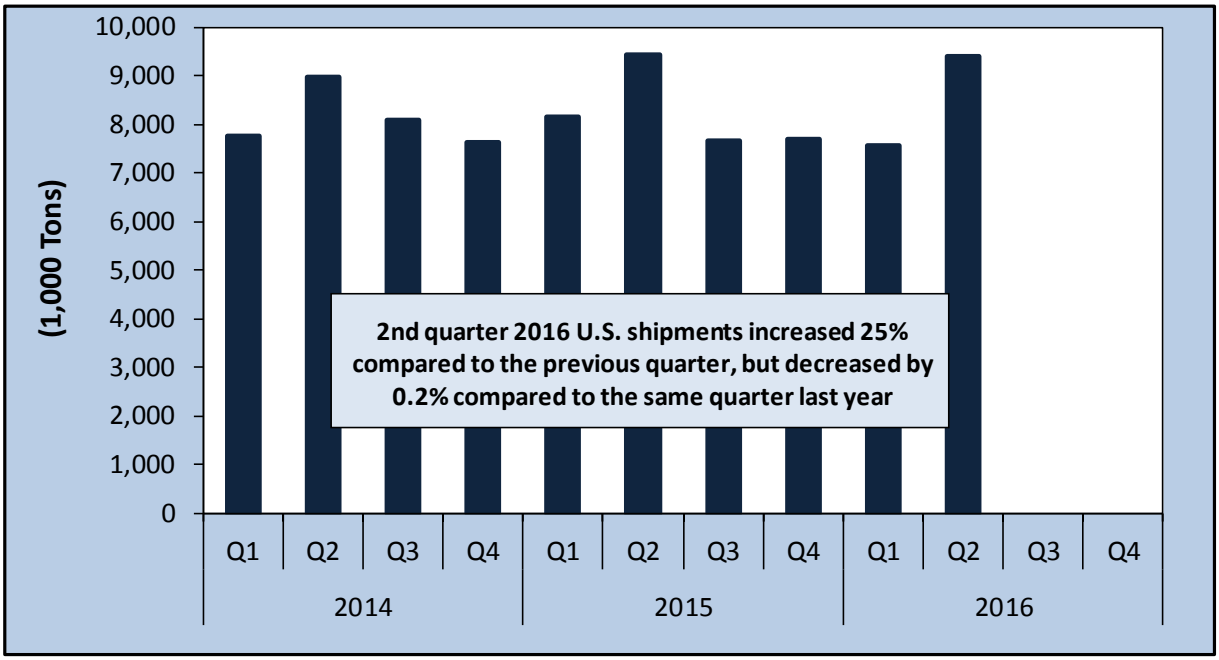
Table 7: U.S. Fresh Fruit and Vegetable Truck Availability, 2nd Quarter 2016

Region[1]	Commodity[1]	Truck Availability: Surplus - 1 / Slight Surplus - 2 / Adequate - 3 / Slight Shortage - 4 / Shortage - 5 — Week Ending[1]												
CALIFORNIA, CENTRAL, AND WESTERN ARIZONA		4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
Central San Joaquin Valley California	Iceberg Lettuce	3	3											
Kern District California	Carrots, Potatoes	3	3	3	3	3	3	3	3	3	3	3	3	3
Oxnard District California	Cabbage, Celery, Cilantro, Leaf Lettuce, Raspberries, Romaine,	3	3	3	3	3	3	3	3	3	3	3	3	3
Salinas-Watsonville California	Iceberg Lettuce, Leaf Lettuce, Raspberries, Strawberries, Broccoli,	3	3	3	3	3	3	3	3	3	3	3	3	3
Santa Maria California	Iceberg Lettuce, Celery, Leaf Lettuce, Strawberries, Broccoli,	3	3	3	3	3	3	3	3	3	3	3	3	3
South District California	Citrus, Avocados	3	3	3	3	3	3	3	3	3	3	3	3	3
Imperial Valley California	Onions				3	3	3	4	4	4				
South & Central District California	Tomatoes, Blueberries, Asparagus, Cherries, Nectarines, Peaches, Plums, Plum Type Tomatoes						3	3	3	3	3	3	3	3
Imperial & Coachella Valley California, Western & Central Arizona	Cantaloups, Corn, Eggplant, Honeydews, Miscellaneous Melons, Peppers, Watermelon								3	3	3	3	3	3
San Joaquin Valley California	Onions											3	3	3
FLORIDA		4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
Central & South Florida	Berries, Mixed Vegetables, Tomatoes, Melons	1	1	3	4	5	4	3	3	4	4	4	4	
Florida	Potatoes	1	1	1	1	1	1	3	3	3	3	3		
South Florida	Melons	3	3	3	3	3	3	3						
Central & North Florida	Blueberries			3	3	3	3	3						
West District Florida	Tomatoes										4	4	4	4
GREAT LAKE (MI & WI)		4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
Central Wisconsin	Potatoes	3	3	3	3	3	3	3	3	3	3	2	2	3
Michigan	Apples	3	3	3	3	3	3	3	3	3	3	3		
MEXICO BORDER CROSSINGS		4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
Mexico Crossings Through Nogales, Arizona	Mixed Vegetables, Tomatoes, Melons, Mangoes, Grapes	4	3	3	2	3	3	3	3	4	4	3	2	2
Mexico Crossings Through Texas	Carrots, Broccoli, Citrus, Tomatoes, Mangoes, Mixed Fruits, Vegetables, Watermelons, Limes	3	3	3	3	3	3	3	3	3	3	2	1	1
PACIFIC NORTHWEST (ID, OR, & WA)		4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
Columbia Basin Washington	Potatoes, Onions	3	3	3	3	3	3	3	3	3	3	3	3	3
Idaho And Malheur County, Oregon	Onions	3	3	3										
Upper Valley, Twin Falls-Burley District Idaho	Potatoes	3	3	3	3	3	3	3	3	3	3	3	3	3
Yakima Valley & Wenatchee District	Apples, Pears, Soft Fruit	3	3	3	3	3	2	2	2	3	3	3	3	3
SOUTHEAST (GA, SC, & NC)		4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
Eastern North Carolina	Sweet Potatoes	3	3	3	3	4	4	4	5	3	3	5	5	5
South Georgia	Carrots, Cabbage, Melons, Greens, Squash, Bluberries, Cucumber,	3	3	3	3	3	3	3	3	3	3	3	3	3
Vidalia District Georgia	Onions					3	3	3	3	3	3	3	3	3
Charleston-Beaufort District South Carolina	Tomatoes, Melons											4	4	4
TEXAS AND OKLAHOMA		4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
Lower Rio Grande Valley, Texas	Onions, Grapefruit, Oranges,, Oranges, Watermelons.	3	3	3	3	3	3	3	3	3	3	2	1	
Texas	Watermelons.												1	1

[1] Regions reported and commodities shipped vary by week, month, season, and year. Within a region, truck availability may vary by commodity and destination.
Source: weekly Fruit and Vegetable Truck Rate Report, Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division

Reported U.S. Shipments

Figure 4: Reported U.S. Fruit and Vegetable Shipments (1,000 Tons)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Table 8: Reported U.S. Fruit and Vegetable Shipments (1,000 Tons)

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2016	7,562	9,417			16,979
2015	8,166	9,434	7,663	7,699	32,962
2014	7,779	8,965	8,081	7,643	32,468
2013	7,451	8,972	7,762	7,444	31,629
2012	7,577	9,008	7,774	7,532	31,890
2011	7,007	8,981	7,887	7,988	31,863
2010	7,065	8,881	7,985	7,522	31,454
2009	7,158	8,728	7,990	7,270	31,147
2008	7,059	8,666	7,426	6,904	30,057
2007	6,959	8,585	7,475	7,099	30,118
2006	6,335	8,400	7,854	6,962	29,551
2005	6,877	8,324	7,737	7,387	30,325
2004	6,867	8,331	6,876	6,732	28,807
2003	6,824	8,013	7,043	6,684	28,564
2002	6,787	8,094	6,414	6,460	27,756
2001	6,822	8,144	6,314	6,471	27,751
2000	6,776	8,155	6,916	6,395	28,242

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 2nd Quarter 2016 (1,000 Tons)

Commodity	2nd Quarter 2016	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,093	1,037	1,103	5%	-1%
Watermelons, Seedless	1,066	45	1,113	-	-4%
Apples	616	786	779	-22%	-21%
Onions Dry	605	493	545	23%	11%
Tomatoes	435	434	440	0%	-1%
Corn-Sweet	359	82	358	340%	0%
Strawberries	344	212	351	62%	-2%
Lettuce, Iceberg	332	327	326	1%	2%
Avocados	292	317	264	-8%	11%
Tomatoes, Plum Type	267	276	200	-3%	34%

Regional Markets

California

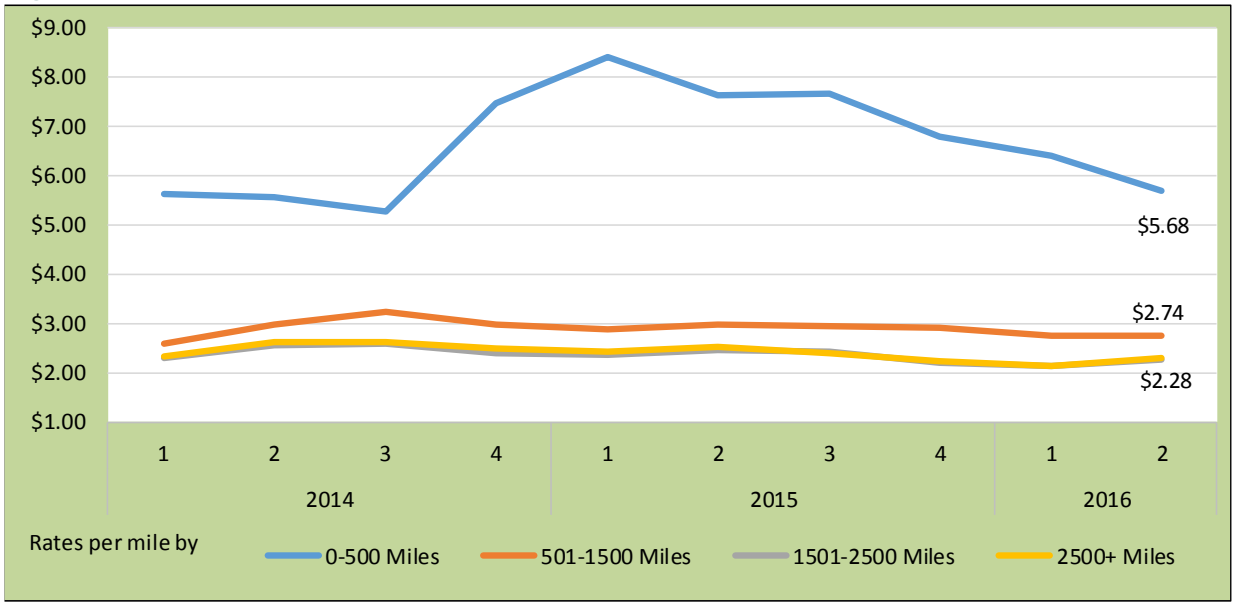
Table 10: Reported Top Five Commodities Shipped from California (1,000 tons)

Commodity	2nd Quarter 2016	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Strawberries	335	15%	66	345	410%	-3%
Lettuce, Iceberg	295	13%	46	306	537%	-3%
Lettuce, Romaine	223	10%	53	204	324%	10%
Celery	172	8%	111	158	55%	9%
Onions Dry	121	5%	16	107	664%	13%
Top 5 Total	**1,147**	**51%**	**292**	**1,120**	**293%**	**2%**
California Total	**2,266**	**100%**	**588**	**2,163**	**285%**	**5%**

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 5: California Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 6: California Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	April	May	June	2nd Quarter
Central San Joaquin Valley California	3.00	n/a	n/a	**3.00**
Imperial, Palo Verde, And Coachella Valleys	3.00	3.60	n/a	**3.30**
Imperial & Coachella Valley California, Western & Central Arizona	n/a	3.00	3.00	**3.00**
Kern District California	3.00	3.00	3.00	**3.00**
Oxnard District California	3.00	3.00	3.00	**3.00**
Salinas-Watsonville California	3.00	3.00	3.00	**3.00**
San Joaquin Valley California	n/a	n/a	3.00	**3.00**
Santa Maria California	3.00	3.00	3.00	**3.00**
South District California	3.00	3.00	3.00	**3.00**
South & Central District California	n/a	3.00	3.00	**3.00**
Regional Average Availability	3.00	3.08	3.00	**3.03**
Diesel Fuel Price ($/gallon)	2.46	2.64	2.78	**2.63**

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

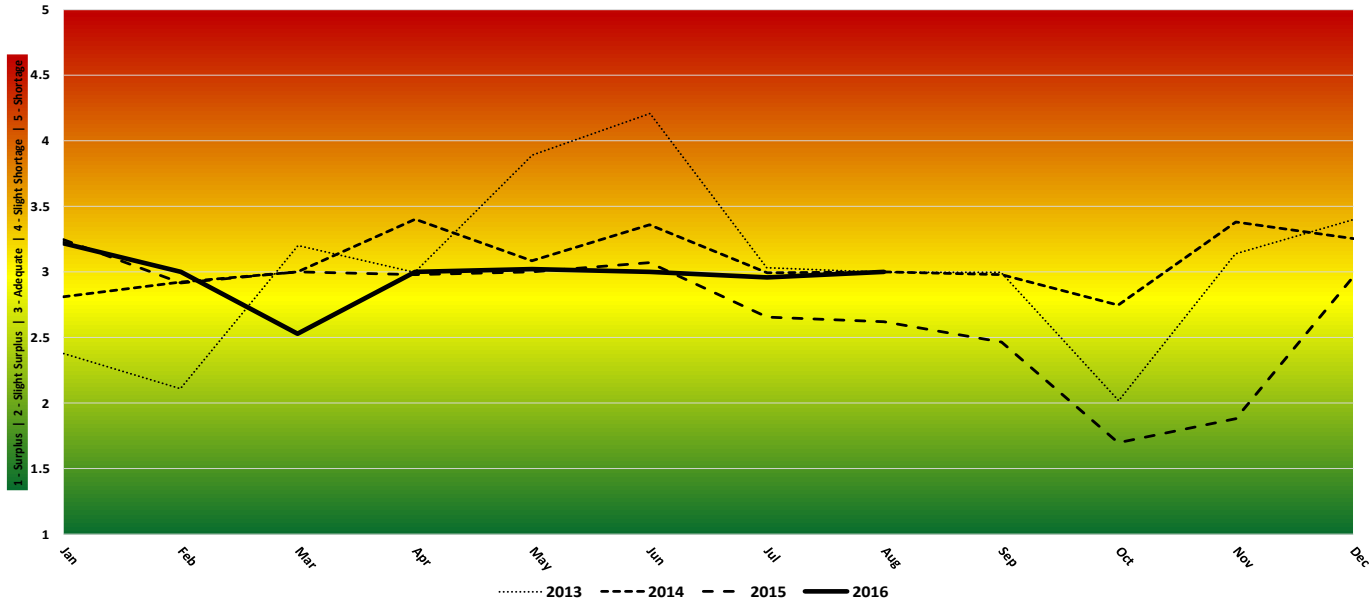
For the purpose of this report the California sub-group of the West Coast PAD District 5 was used to represent the diesel fuel price.

Volume: Total reported shipments of fruits and vegetables from California during the 2nd quarter of 2016 were 2.27 million tons, a 5 percent increase from the same quarter last year. The sum of the top five commodities also increased by 2 percent from the same quarter last year. Of the top five, onions increased the most, by 13 percent, followed by romaine lettuce at 10 percent and celery at 9 percent.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.74 per mile, unchanged from the previous quarter, but 8 percent below the same quarter last year.

Truck Overview: Diesel fuel prices averaged $2.61 per gallon, 8 percent higher than last quarter, but 18 percent lower than the same period last year. Truck availability for California was adequate in most districts during the quarter. The only exception was a 3-week period in May when shippers reported a slight shortage in the Imperial Valley.

Fig 7: Refrigerated Truck Availability Monthly Ratings for California



Pacific Northwest (PNW)

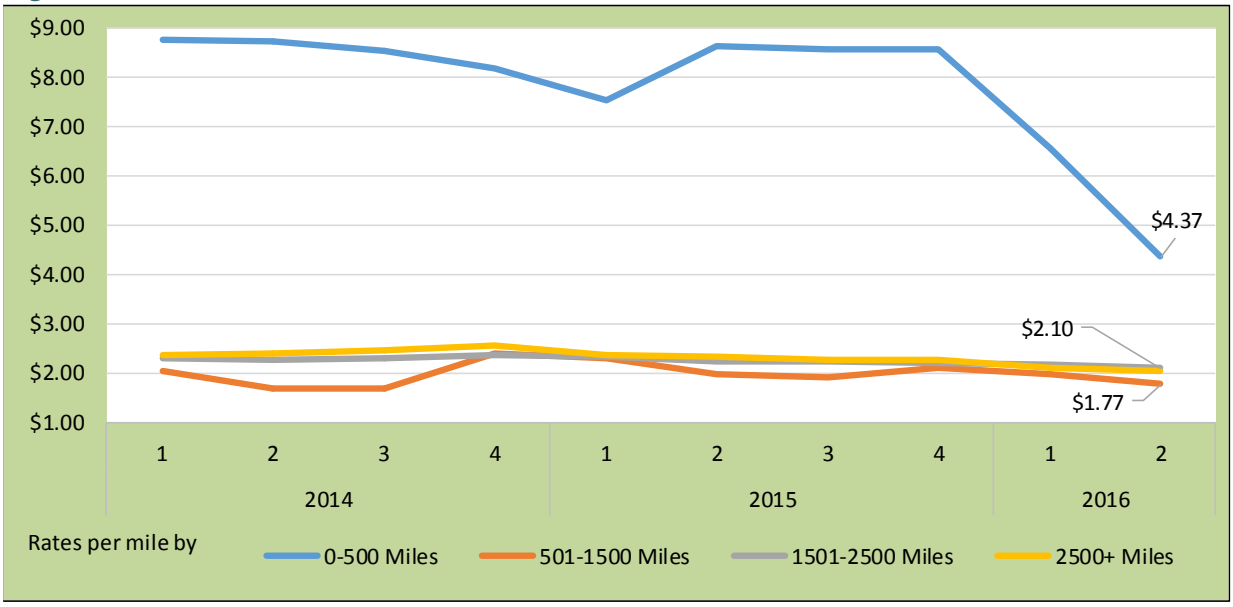
Table 11: Reported Top Five Commodities Shipped from PNW (1,000 tons)

Commodity	2nd Quarter 2016	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Apples	541	41%	659	706	-18%	-23%
Potatoes	469	36%	474	476	-1%	-1%
Onions Dry	139	11%	329	155	-58%	-10%
Cherries	77	6%	0	92	-	-16%
Pears	67	5.1%	175.2	82	-	-18%
Top 5 Total	**1,293**	**98%**	**1,638**	**1,510**	**-21%**	**-14%**
PNW Total	**1,314**	**100%**	**1,638**	**1,524**	**-20%**	**-14%**

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 8: PNW Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 9: PNW Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	April	May	June	2nd Quarter
Columbia Basin Washington	3.00	3.00	3.00	**3.00**
Idaho And Malheur County, Oregon	3.00	n/a	n/a	**3.00**
Upper Valley, Twin Falls-Burley District Idaho	3.00	3.00	3.00	**3.00**
Yakima Valley & Wenatchee District Washington	3.00	2.40	3.00	**2.80**
Regional Average Availability	3.00	2.80	3.00	**2.93**
Diesel Fuel Price ($/gallon)	2.23	2.44	2.60	**2.43**

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for PNW.

Volume: Total reported shipments of fruits and vegetables from the PNW during the 2nd quarter of 2016 were 1.3 million tons, a decrease of 14 percent from the same quarter last year. The sum of the top five commodities decreased 14percent as well. Each of the top 5 commodities fell this quarter. Apple shipments fell the most at 23 percent followed by pears at 18 percent. The apple and cherry markets are stabilizing after record crops during the previous marketing year.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $1.77 per mile, 11 percent lower than the previous quarter, and 10 percent lower than same quarter last year.

Truck Overview: Diesel fuel prices averaged $2.44 per gallon, 30 cents higher than last quarter, but 50 percent lower than the same period last year. Shippers report adequate to slight surplus conditions for truck availability across the entire region.

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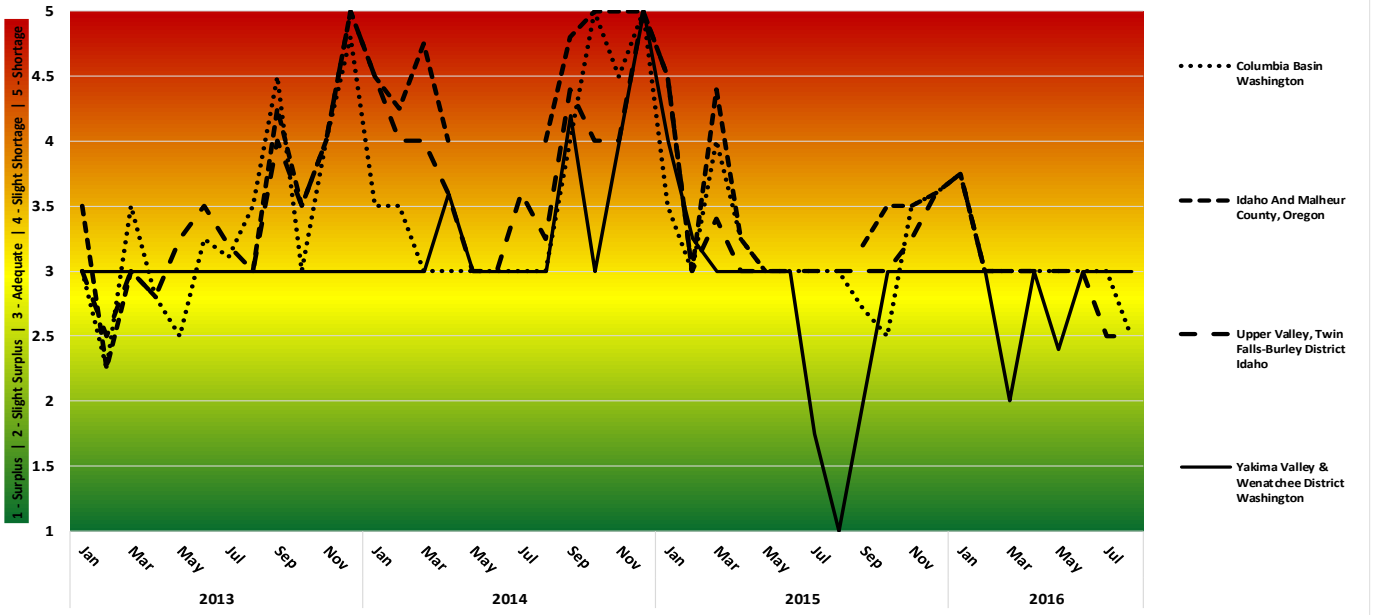
Fig 10: Refrigerated Truck Availability Monthly Ratings for the PNW



Mexico Border Crossings

Table 12: Reported Top Five Commodities Shipped from Mexico (1,000 tons)

Commodity	2nd Quarter 2016	Share of Mexico-Tot Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Watermelons, Seedless	413	15%	45	399	811%	4%
Tomatoes, Plum Type	236	8%	253	164	-7%	44%
Tomatoes	207	7%	319	182	-35%	14%
Avocados	189	7%	288	188	-34%	0%
Cucumbers	171	6%	229	173	-25%	-1%
Top 5 Total	**1,215**	**43%**	**1,135**	**1,106**	**7%**	**10%**
Mexico-Tot Total	**2,830**	**100%**	**2,789**	**2,663**	**1%**	**6%**

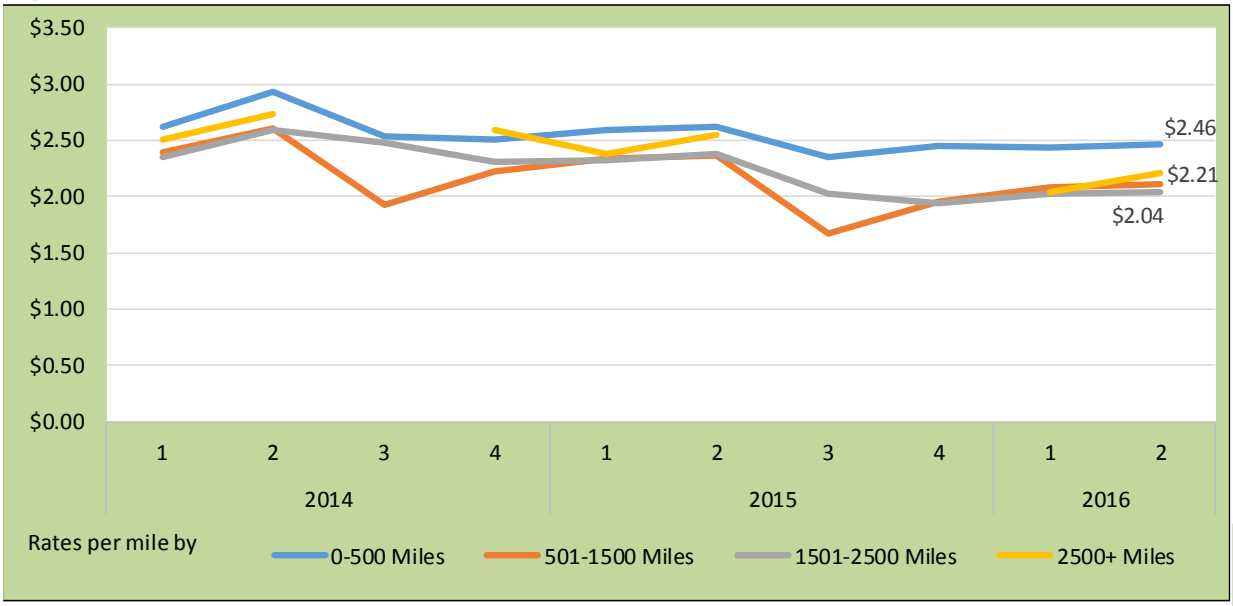
Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Table 13: Top 5 Commodities Shipped to U.S from Mexico by State of Entry (1,000 tons)

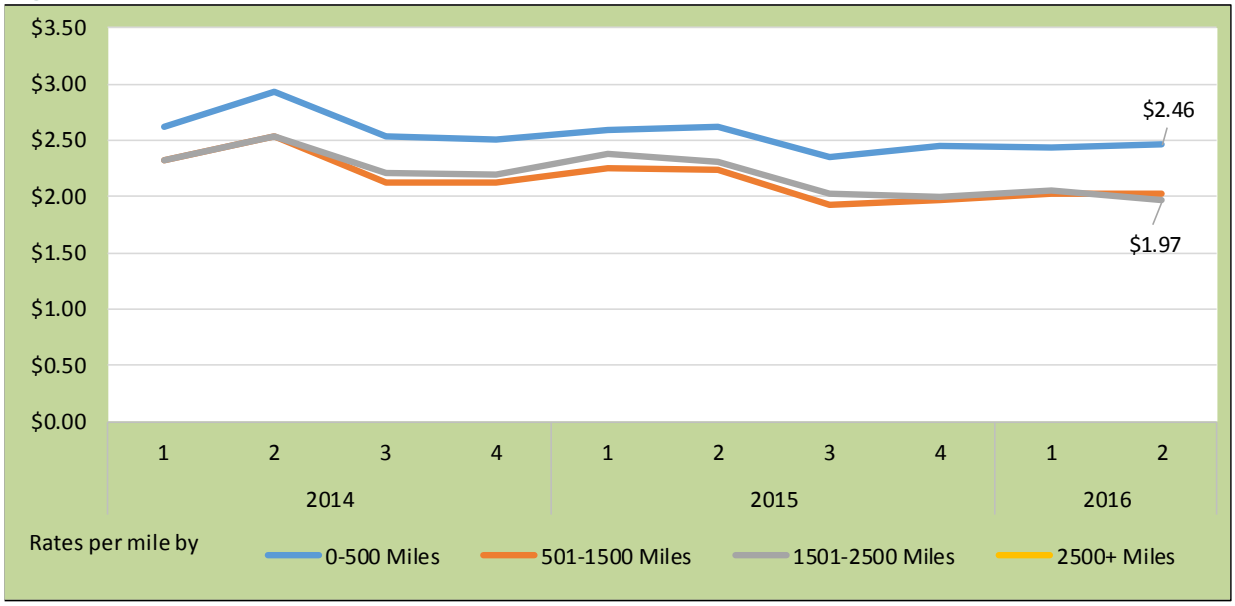
Texas		California		Arizona	
Avocados	185	**Onions Green**	41	**Watermelons, Seedless**	413
Mangoes	109	**Misc Tropical**	40	**Grapes**	140
Tomatoes	108	**Tomatoes, Plum Type**	37	**Tomatoes, Plum Type**	130
Limes	108	**Cucombers**	31	**Cucumbers**	105
Tomatoes, Plum Type	69	**Papaya**	21	**Squash**	104
Other	537	**Other**	200	**Other**	422
Total	**1,117**	**Total**	**370**	**Total**	**1,313**

Figure 11: Mexico Truck Rates ($/Mile)



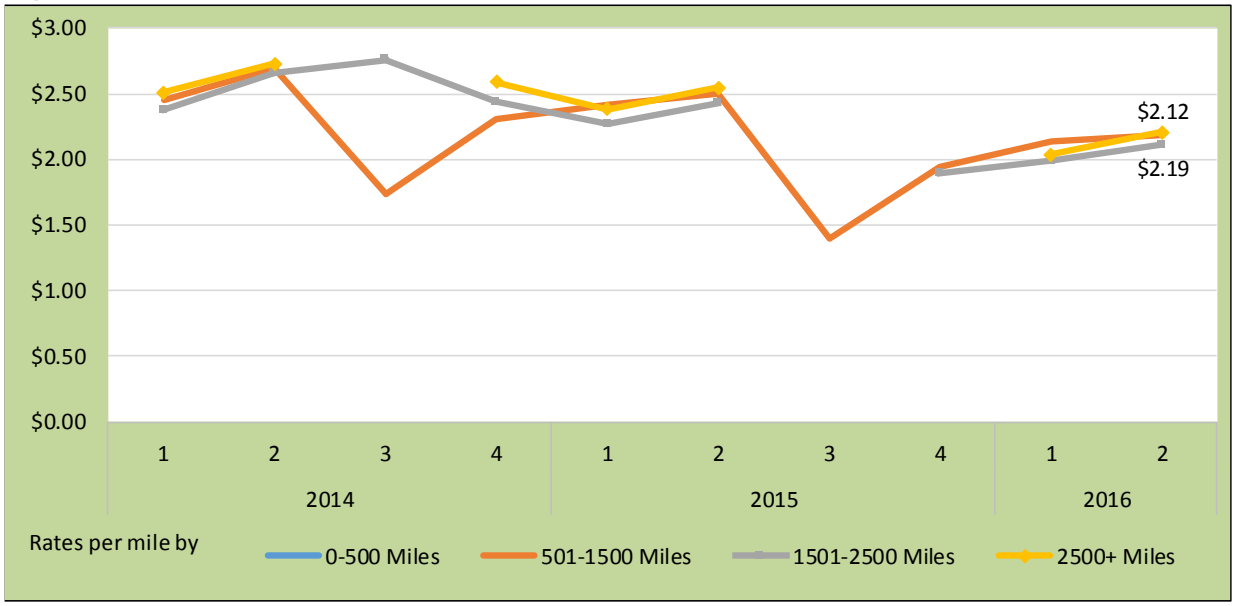
Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 12: Mexico-Texas Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 13: Mexico-Arizona Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 14: Mexico Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	April	May	June	2nd Quarter
Mexico Crossings Through Nogales, Arizona	3.00	3.19	3.00	**3.06**
Mexico Crossings Through Texas	3.00	3.00	1.75	**2.58**
Regional Average Availability	3.00	3.09	2.38	**2.82**
Diesel Fuel Price, through Arizona($/gallon)	2.23	2.44	2.60	**2.43**
Diesel Fuel Price, through Texas ($/gallon)	2.02	2.18	2.29	**2.17**

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the Gulf Coast PAD District 3 was used to represent the diesel fuel price through Texas.

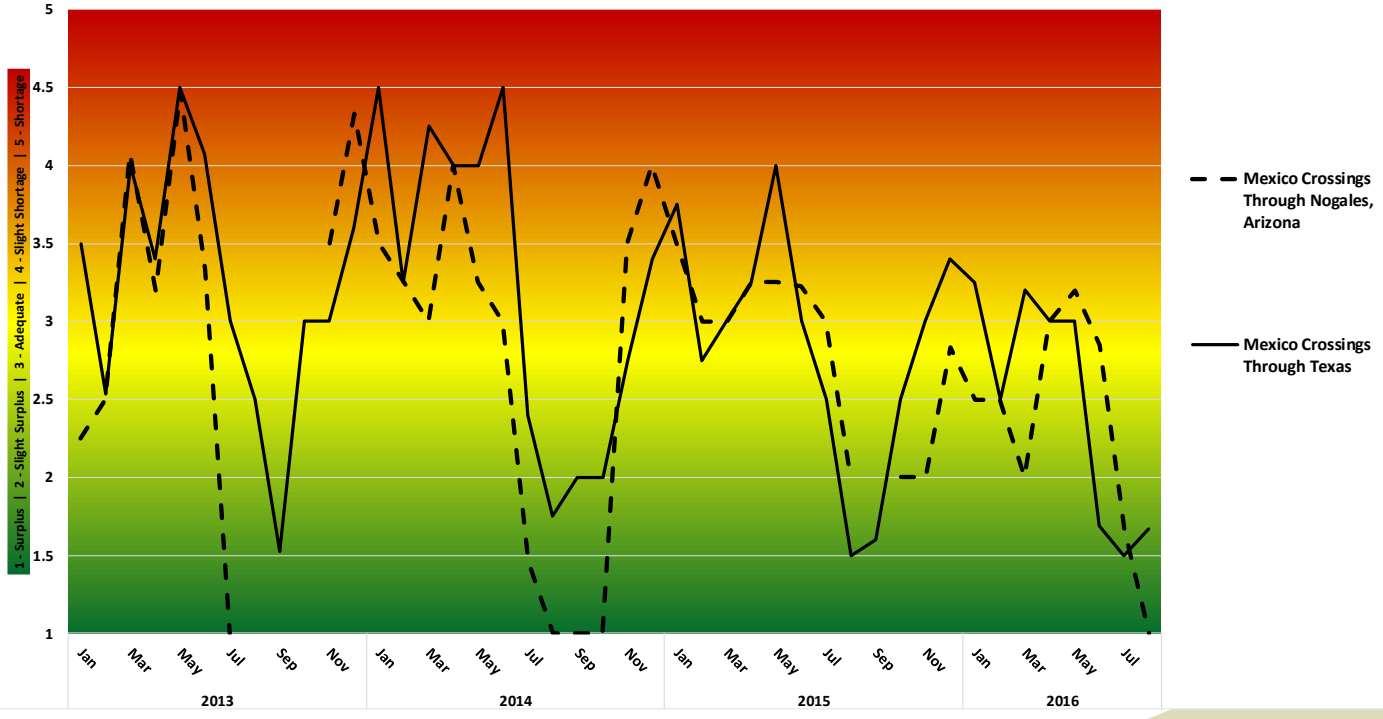
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price through Arizona.

Volume: Total reported shipments of fruits and vegetables from Mexico during the 2nd quarter of 2016 were 2.83 million tons—an increase of 6 percent from the same quarter in 2015, with the sum of the top five commodities also increasing 10 percent from last year. Shipments of seedless watermelons surpassed last year's quarterly record with 413,000 tons, up 4 percent from last year. Plum tomato shipments increased 44 percent from the same quarter last year.

Rates: Truck rates for shipments between 501 and 1,500 miles through the Texas border crossings averaged $2.03 per mile, unchanged from the previous quarter, and 9 percent lower than the same quarter last year. Rates for shipments between 501 and 1,500 miles through the Arizona border crossings averaged $2.19 per mile, up 3 percent from last quarter, but 12 percent lower than the same quarter last year.

Truck Overview: Diesel fuel prices for border crossings through Texas averaged $2.17 per gallon, 10.6 percent higher than the previous quarter, but 20.8 percent lower than the same quarter in 2015. Diesel fuel prices for border crossings through Arizona averaged $2.44 per gallon, 14 percent higher than the previous quarter, but 17 percent lower than the same period in 2015. Truck availability was mostly adequate at both major border crossings, but with pockets of slight shortage conditions during the first week of April and the two week period from the end of May through the beginning of June.

Fig 15: Refrigerated Truck Availability Monthly Ratings for Mexico



Southeast

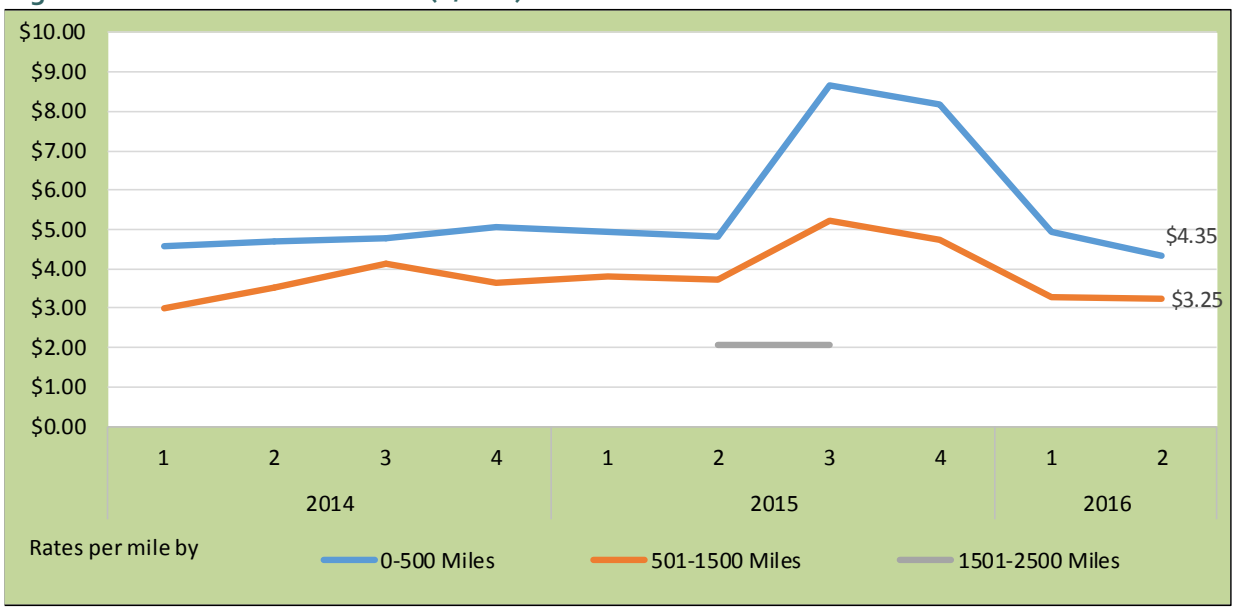
Table 15: Reported Top Five Commodities Shipped from Southeast (1,000 tons)

Commodity	2nd Quarter 2016	Share of Southeast Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Watermelons, Seedless	173	23%	0	209	-	-17%
Corn-Sweet	108	14%	0	123	-	-12%
Onions Dry	85	11%	0	66	-	28%
Sweet Potatoes	78	10%	90	79	-14%	-2%
Cucumbers	37	5%	0	47	-	-20%
Top 5 Total	**480**	**65%**	**90**	**524**	**432%**	**-8%**
Southeast Total	**744**	**100%**	**121**	**811**	**515%**	**-8%**

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 16: Southeast Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Volume: Total reported shipments of fruits and vegetables from the Southeast during the 2nd quarter of 2016 were 744,000 tons, a decrease of 8 percent from the same quarter last year. The sum of the top five commodities fell by 8 percent as well. Each of the top five commodities decreased over the previous year except for dry onions, which increased 28 percent. Watermelons remained the top commodity shipped, but volume fell by 17 percent compared with last year's strong movements.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $3.25 per mile, 1 percent lower than the previous quarter and 13 percent lower than same quarter last year.

Truck Overview: Diesel fuel prices averaged $2.43 per gallon, 17 cents higher than last quarter and 69 percent lower than the same period last year. Eastern North Carolina sweet potato shippers reported a slight shortage most of May and a shortage the last week of May. Shortages continued for three of the four weeks of June as well. The rest of the region reported adequate availability except for a slight shortage the last three weeks of June in South Carolina.

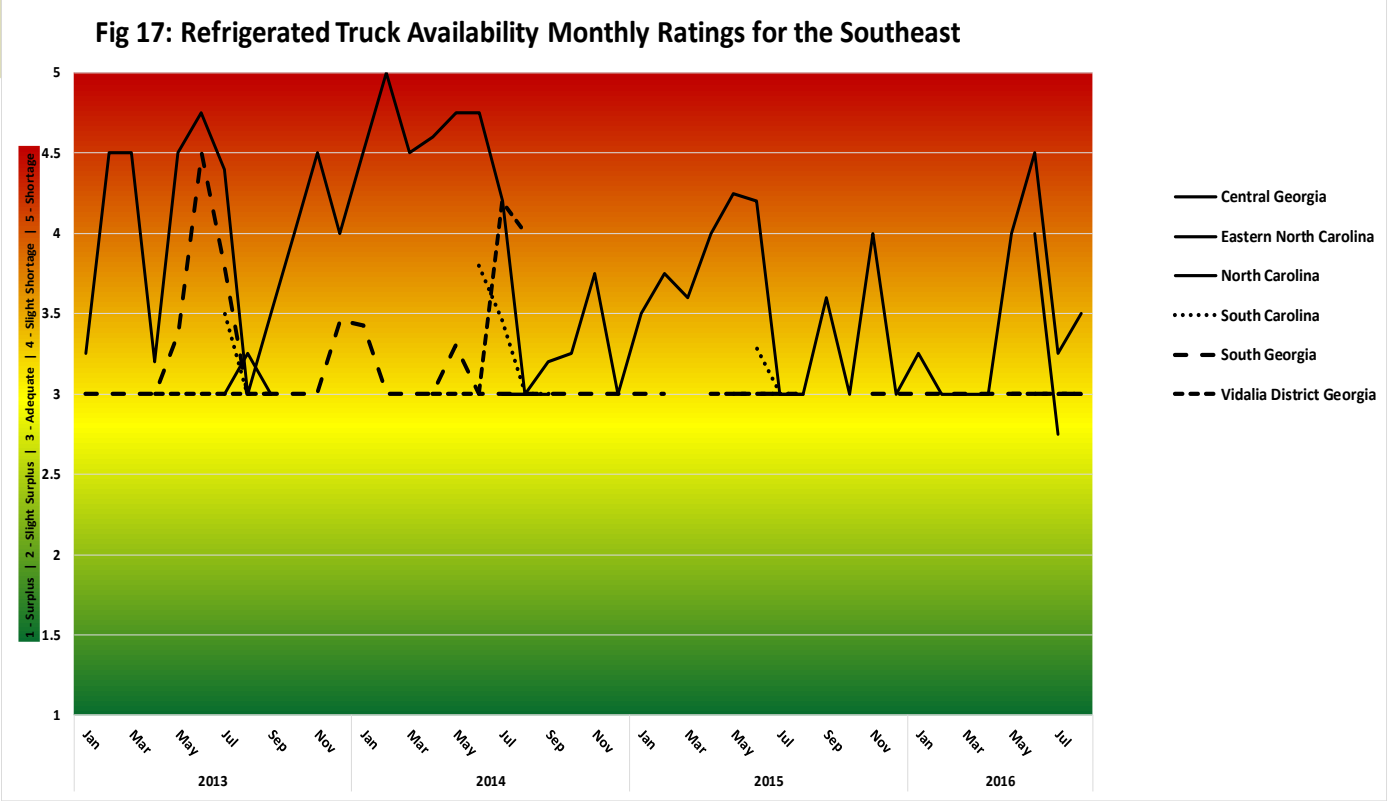


Figure 18: Southeast Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	April	May	June	2nd Quarter
Charleston-Beaufort District South Carolina	n/a	n/a	4.00	**4.00**
Eastern North Carolina	3.00	4.00	4.50	**3.83**
South Georgia	3.00	3.00	3.00	**3.00**
Vidalia District Georgia	n/a	3.00	3.00	**3.00**
Regional Average Availability	3.00	4.00	4.25	**3.75**
Diesel Fuel Price ($/gallon)	2.11	2.27	2.36	**2.25**

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the Lower Atlantic District was used to represent the diesel fuel price for the Southeast

Florida

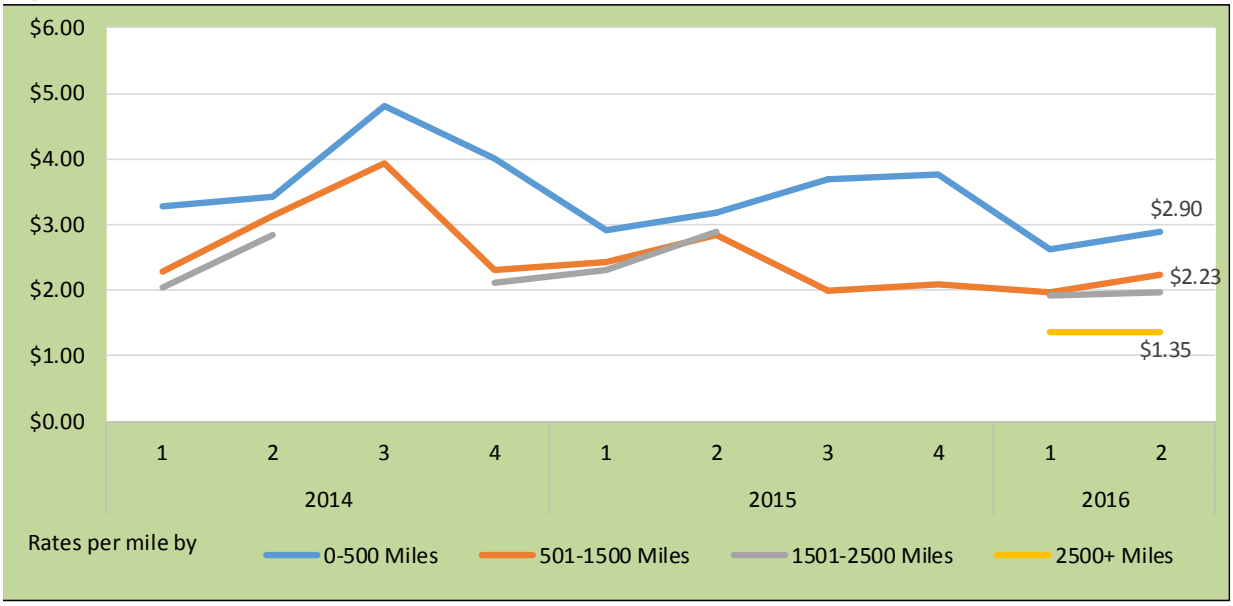
Table 15: Reported Top Five Commodities Shipped from Florida (1,000 tons)

Commodity	2nd Quarter 2016	Share of Florida Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Watermelons, Seedless	309	29%	0	327	-	-6%
Tomatoes	164	15%	98	185	68%	-11%
Corn-Sweet	145	14%	44	150	230%	-3%
Potatoes	86	8%	-	105	-	-18%
Peppers, Bell Type	50	5%	47	61	8%	-17%
Top 5 Total	**755**	**70%**	**189**	**828**	300%	**-9%**
Florida Total	**1,072**	**100%**	**647**	**1,186**	**66%**	**-10%**

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 19: Florida Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Volume: Total reported shipments of fruits and vegetables from Florida during the 2nd quarter of 2016 decreased 10 percent from the same quarter in 2015. The sum of the top five commodities decreased 9 percent. Each of the top five commodities fell; potatoes saw the largest decrease, 18 percent, followed by bell peppers at 17 percent. Watermelons remain the top commodity shipped, as the second quarter is the typical peak harvest time.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.23 per mile, 14 percent higher than the previous quarter, but 22 percent lower than same quarter last year.

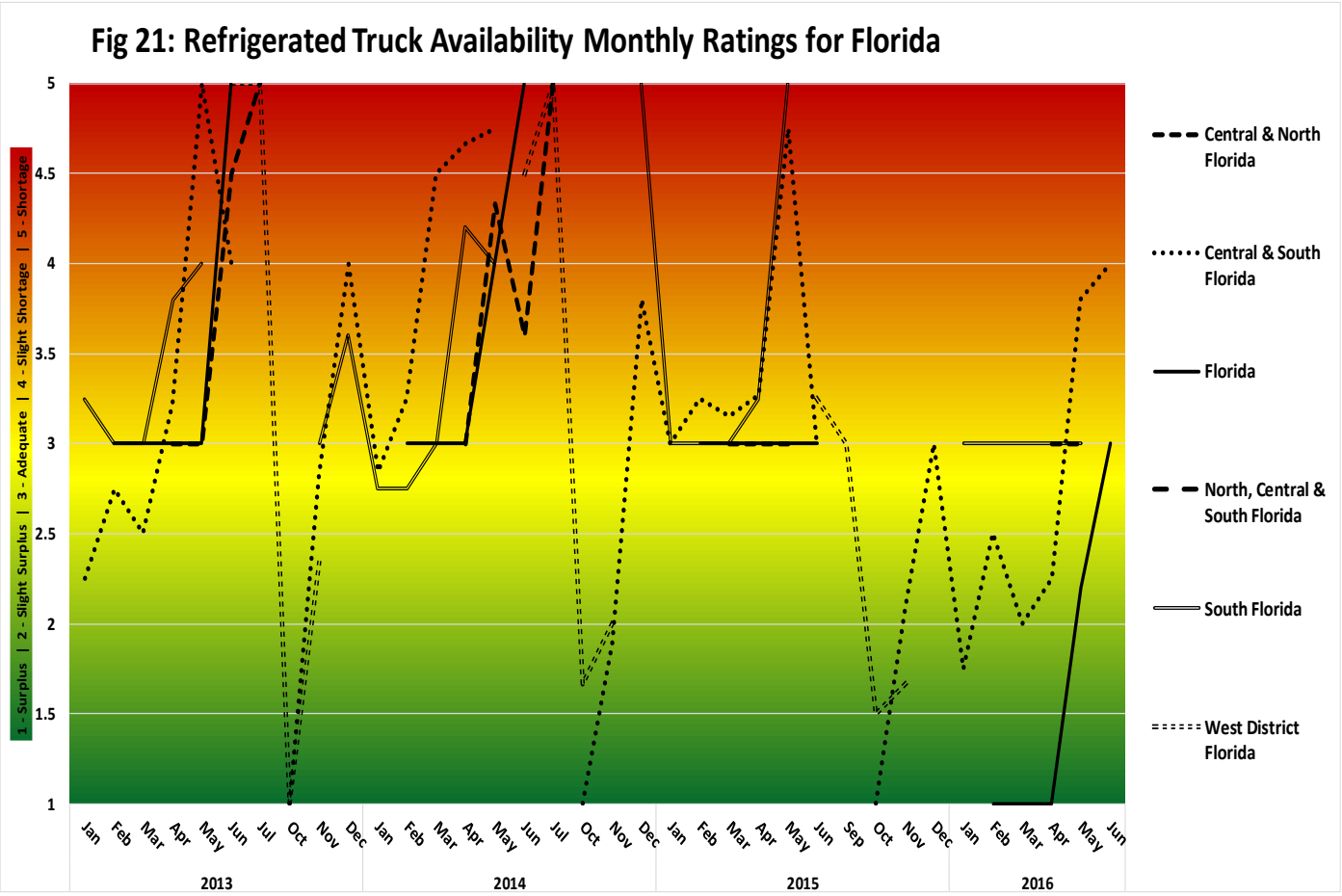
Truck Overview: Diesel fuel prices averaged $2.25 per gallon, 22 cent higher than last quarter, but 58 percent lower than the same period last year. Truck availability in the Central and South Florida regions fell from a surplus to a shortage within a matter of three weeks during April and May. Conditions improved during the end of May only to fall into the slight surplus category again for most of June. The West District of Florida reported a slight shortage of availability during June as well. Other regions reported surplus to adequate available throughout the quarter.

Figure 20: Florida Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	April	May	June	2nd Quarter
Central & North Florida	3.00	3.00	n/a	**3.00**
Central & South Florida	2.25	3.80	4.00	**3.35**
Florida	1.00	2.20	3.00	**2.07**
South Florida	3.00	3.00	n/a	**3.00**
West District Florida	n/a	n/a	4.00	**4.00**
Regional Average Availability	2.08	3.00	3.50	**2.86**
Diesel Fuel Price ($/gallon)	2.11	2.27	2.36	**2.25**

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
For the purpose of this report the Lower Atlantic District was used to represent the diesel fuel price for Florida.

Fig 21: Refrigerated Truck Availability Monthly Ratings for Florida



Terms and References

Data Sources: This information is compiled from the weekly Fruit and Vegetable Truck Rate Report by USDA, Agricultural Marketing Service (AMS), Specialty Crops Program, Market News Division. The website is: https://www.marketnews.usda.gov/mnp/fv-home.

Regional Markets: For the regional markets, some States are grouped into producing regions. The Pacific Northwest region includes Idaho, Oregon, and Washington. The Great Lakes region includes Michigan, Minnesota, and Wisconsin. The Southeast region includes North Carolina, South Carolina and Georgia.

Shipment Volumes: Truck shipments for all commodities and origins are not available. Those obtainable are reported, but should not be interpreted as representing complete movements of a commodity. Truck shipments from all States are collected at shipping points and include both interstate and intrastate movements. They are obtained from various sources, including Federal marketing orders, administrative committees, Federal State Inspection Service, and shippers. Volume amounts are represented in 10,000 pound units, or 1,000 10-lb packages but are converted to 1,000 tons for this report. Mexican border crossings through Arizona and Texas data is obtained from the Department of Homeland Security (DHS), U.S. Customs and Border and Protection (CBP) through USDA, AMS, Market News.

Rates: This information is compiled from the weekly *Fruit and Vegetable Truck Rate Report*. Rates quoted represent open (spot) market rates that shippers or receivers pay depending on basis of sale, per load, including truck brokers fees for shipments in truck load volume to a single destination. Extra charges for delivery to terminal markets, multipickup and multidrop shipments are not included unless otherwise stated. Rates are based on the most usual loads in 48-53 foot trailers from the origin shipping area to the destination receiving city. In areas where rates are based on package rates, per load rates were derived by multiplying the package rate by the number of packages in the most usual load in a 48-53 foot trailer. Slightly cheaper rates will be reported during Quarters 2 and 3 as about 50 percent of onion shipments from California are hauled on open flatbed trailers. During Quarter 3, less than 20 percent of onions hauled from Washington, Idaho, and Oregon are on open flatbeds.

Regional Rates: Rate data for 10 destination markets are used to calculate average origin regional rates.

National Rates: The national rates reflect the average of the regional rates, separated by mileage category and weighted by volume between origin and destination.

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